

00313

1974/10/31

DECLASSIFIED

MD 972520
JVF 9/25/97

REPRODUCED AT THE NATIONAL ARCHIVES



Department of State

Copy 8 of 15 copies

TELEGRAM

SECRET

Corrected copy: Para 3, line 8,
word 3 reads region vice reason

O 310450Z CCT 74
FM SEC KISSINGER ABOARD SAM86970
TO ZEN/USLO PEKIN IMMEDIATE NIACT
INFO RUEHC/SEC STATE/IMMEDIATE
BT

Control: 9084Q
Recd: Oct 31, 1974
1:04 AM

SECRET/NODIS
E O 11652 GDS

TAGS: OVIP (KISSINGER, HENRY A.)

SUBJECT: CHINESE INQUIRIES - OIL PRMFCS

SEC TO 271 REF: PEKING 1893

FOR THE AMBASSADOR BUSH FROM THE SECRETARY

1. CHIAO KUAN-HUA'S INQUIRIES ON THE MIDDLE EAST/OIL

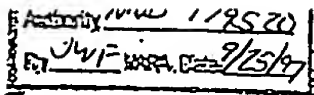
PRICE SITUATION ARE VERY REVEALING; THEY
DEMONSTRATE THAT, THEIR PUBLIC BACKING ON THE OIL
WEAPON NOTWITHSTANDING, THE CHINESE ARE CLEARLY
CONCERNED ABOUT THE IMPLICATIONS FOR THEM ON AN ECONOMIC
UNRAVELLING OF THE US, EUROPE AND JAPAN. AND THE
CONCOMITANT RISE IN RELATIVE SOVIET POWER. THEY ARE
OBVIOUSLY ALSO WORRIED ABOUT A MIDDLE EAST IMPASSE
AND A CONSEQUENT REVIVAL OF SOVIET INFLUENCE IN THE
REGION.

2. IF CHAIO RAISES THESE SUBJECTS AGAIN, YOU
SHOULD MAKE CLEAR THAT I WILL BE PREPARED TO GO INTO
THEM IN DEPTH DURING MY FORTHCOMING VISIT.

3. ON THE MIDDLE EAST YOU CAN TELL HIM THAT WE HAVE
NOT YET RECEIVED A FULL ACCOUNTING OF THE IMPLICATIONS
OF THE ARAB SUMMIT, THROUGH IT WOULD APPEAR THAT IT HAS
COMPLICATED OUR EFFORTS. NEVERTHELESS, WE REMAIN
DETERMINED TO PRESS AHEAD FOR A PEACEFUL SETTLEMENT FOR
ALL REASONS WE HAVE DISCUSSED WITH THE CHINESE.
YOU MAY CONFIRM FOR HIM CONFIDENTIALLY THAT I WILL BE
GOING TO THE REGION NOVEMBER 6-9 TO DIGEST THE RESULTS
OF RABAT AND PLAN NEXT STEPS.

4. ON OIL OUR BASIC STANCE HAS BEEN CLEARLY LAID OUT
IN MY RECENT SPEECHES AT THE UN AND ELSEWHERE. AS YOU
AND CHAIO DISCUSSED, THE HARDEST HIT ARE NATIONS
IN AFRICA AND SOUTH ASIA WHO CAN LEAST AFFORD IT. OIL
PRICES WILL HAVE TO COME DOWN AT SOME POINT OR THERE WILL
BE SERIOUS CONSEQUENCES THAT WILL BE IN NO ONE'S INTEREST.
THE PRESENT SITUATION FAVORS THE RUSSIANS THE MOST. 4
WE PLAN TO TAKE SERIOUS CONSERVATION MEASURES AT HOME AND
ARE WORKING WITH OTHER CONSUMERS ON CONSERVATION, NEW
SOURCES OF OIL AND ENERGY, AND FINANCIAL MECHANISMS.
WE LOOK FORWARD TO A COOPERATIVE SOLUTION WITH THE PRODUCERS AS
CHIAO WISHES, THOUGH

NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY



REPRODUCED AT THE NATIONAL ARCHIVES



Department of State

SECRET

TELEGRAM

2 310450Z OCT 74

WE THINK THE FRENCH INITIATIVE IS PREMATURE. PP
5. RE YOUR DISCUSSION WITH THE AUSTRALIAN AMBASSADOR REPORTED
IN EARLIER MESSAGE, I ASSUME YOU REALIZE THAT YOU SHOULD NOT
ENCOURAGE ANY INTERMEDIARY ROLE BY ANYONE THERE ON
CAMBODIA.

6. PLEASE SLUG AS SECRET/NODIS REPORTS OF CONSERVATIONS
SUCH AS THE ONE YOU HAD WITH CHAIO.

KISSINGER

DIS-
NODIS
NODIS

SECRET